

Before the  
Federal Communications Commission  
Washington, DC 20554

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AUG 30 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of:

Implementation of the Non-Accounting )  
Safeguards of Section 271 and 272 )  
of the Communications Act of 1934, as Amended )

and )

CC Docket No. 96-149

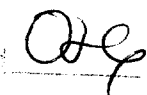
Regulatory Treatment of LEC Provision of )  
Interexchange Services Originating in the )  
LEC's Local Exchange Area )

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**REPLY OF THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY TO AT&T'S AUGUST 15 COMMENTS**

SNET files this Reply in order to correct two factual misstatements by AT&T in its August 15 Comments. Each misstatement is discussed below.

First, AT&T claims that SNET has "abused its position" as an incumbent LEC by instituting a program under which SNET will honor signed PIC-freeze requests from customers of SNET's interstate service affiliate but not from customers of AT&T. See AT&T Comments at 58. In fact, the attached Affidavit of Karen Fawcett makes plain that SNET's policy is to honor signed PIC-freeze requests on non-discriminatory terms from customers of any interstate service provider, including AT&T. This policy is designed to protect consumers from the deceptive marketing practices of some interstate carriers. A customer's PIC-freeze request

Placed on file  
DATE:            

instructs SNET to change the customer's presubscribed interstate service provider only if the customer directly requests the change. Prior to instituting this program, SNET had made such changes if an interstate carrier notified SNET that the customer at issue had authorized that carrier to request the change. SNET instituted its PIC-freeze program because countless customers complained to SNET -- after SNET changed their presubscribed interstate service provider at the request of interstate carriers -- that the customers did not want to change their presubscribed carrier and had never authorized an interstate carrier to request that SNET do so.<sup>1/</sup>

AT&T's claim that SNET service representatives unfairly try to convince people to presubscribe to the interstate service of SNET's affiliate when they call to subscribe to local telephone service also is false. See AT&T Comments at 59. While SNET service representatives sometimes may inform callers that a SNET affiliate provides interstate service, they are

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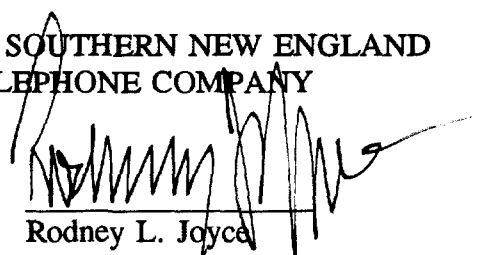
<sup>1/</sup> The Commission recently found that AT&T itself may have engaged wilfully in the deceptive marketing practice that caused SNET to institute its PIC-freeze program. See AT&T Corp., Notice of Apparent Liability, 11 FCC Rcd. 1885 (1996).

required by SNET policies always to (1) inform the caller of his or her right to presubscribe to the interstate service provider of the caller's choice and (2) honor the caller's choice regardless of the carrier he or she selects.

Respectfully submitted,

**THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY**

By:



Rodney L. Joyce  
Ginsburg, Feldman and  
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1250 Connecticut Avenue, NW  
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(202) 637-9000

Madelyn M. DeMatteo  
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**THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY**  
227 Church Street  
New Haven, CT 06506

Its Attorneys

Dated: August 30, 1996

STATE OF CONNECTICUT       )  
  ) ss.: NEW HAVEN  
COUNTY OF NEW HAVEN       )


AFFIDAVIT OF KAREN FAWCETT

I, Karen D. Fawcett, first being duly sworn, hereby state that the following statements are true and correct to the best of my knowledge, information and belief.

1. I am an employee of the Southern New England Telephone Company (SNET). My title is Director-Acess Operations and Support. My address is 530 Preston Avenue, Meriden, Connecticut 06450.
2. I am responsible for the Interstate Carrier Service Center. This responsibility requires that I be familiar with all aspects of access order processing, including the PIC change process and related procedures.
3. I have read AT&T's allegations regarding the "PIC-freeze" issue in AT&T's Comments filed with the Commission on August 15, 1996 (Comments of AT&T Corp., CC Docket No. 96-149, pp. 58-59).
4. AT&T's characterization that "SNET has refused to honor identically-worded PIC freeze requests submitted to it by AT&T's long distance customers," is untrue and a blatant misrepresentation of the facts.
5. In January, 1996, AT&T requested that SNET stop using the "PIC-freeze" forms, or tell AT&T where its forms could be sent for processing. On February 14, 1996, SNET provided a written response to AT&T agreeing to handle AT&T PIC change and PIC block forms (see Exhibit A attached hereto).
6. On February 16, 1996, SNET sent a second letter to AT&T that included a Memorandum of Understanding offering to process AT&T's PIC-freeze requests (see Exhibit B attached hereto).
7. SNET has continually since February 16, 1996, been ready, willing and able to process AT&T requests for PIC-freezes, but AT&T has not to date accepted SNET's offer.

  
Karen D. Fawcett

Subscribed and sworn to before me this 29th day of August, 1996, by Karen D. Fawcett.

  
Commissioner of the Superior Court



Southern New England Telephone  
530 Preston Avenue  
Meriden, Connecticut 06450  
Phone (203) 634-5216  
Facsimile (203) 634-9331

**Frances C. Clark**  
*AT&T Account Management*  
*Network Marketing and Sales*

February 14, 1996

Mr. Robert Augustine  
AT&T  
3033 Chain Bridge Road  
Room B251  
Oakton, Va. 22185

Dear Bob:

As promised, we are responding to AT&T's request for closure on the PIC Block issue.

We are prepared to accept the PIC Block forms from AT&T effective with the signing of an agreement, which will be sent to you by Friday. By signing the agreement AT&T consents to pay a PIC Block charge of \$4.78 per single line. Incidentally, this fee is also being charged to SNET's Retail unit. Terms of the agreement would be effective until such time as a tariff for an end user PIC Block charge is approved. This process is now underway.

Initially, AT&T's PIC Block forms will be sent to the Shelton business office. Within approximately 3-4 weeks this function will be moved into the Network Marketing & Sales organization. Specifics will be provided once AT&T returns the signed agreement.

On Friday, we will also provide a copy of the PIC Block form currently in use by SNET. Since this is an SNET end user service, blocking forms may not be branded as an AT&T service. They may, however, be "unbranded".

SNET is also pursuing mechanizing the PIC Block process as soon as possible in order to enhance the timeliness of these changes.

If you have any questions or would like to discuss further, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fran".



Southern New England Telephone  
530 Preston Avenue  
Meriden, Connecticut 06450  
Phone (203) 634-5216  
Facsimile (203) 634-9331

**Francois C. Clark**  
*AT&T Account Management*  
*Network Marketing and Sales*

February 16, 1996

Mr. Robert Augustine  
AT&T  
Room B251  
3033 Chain Bridge Road  
Oakton, Va. 22185

Dear Bob:

As indicated in my letter of February 14, enclosed is a copy of the forms SNET is currently using for PIC Block and PIC Change Authorization as well as the Memorandum of Understanding for performing this service for AT&T.

I would like to point out the following:

- The administrative process for PIC Block of C-LEC customers is being addressed within the context of the Wholesale/Resale environment.
- Details regarding billing will be forthcoming.
- We will provide the address where forms are to be sent upon AT&T's agreement to proceed.
- AT&T's customers may continue to benefit from the PIC Block option by calling their local SNET Business Office directly to have the block added to their line.

We want to assure you that SNET remains committed to working with AT&T to insure we have adequate resources and procedures to accommodate your PIC Block needs.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fran", written in dark ink.

Enclosures

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("Memorandum") is entered into by and between The Southern New England Telephone Company ("SNET") and AT&T Communications, Inc. ("AT&T") (hereinafter sometimes referred to as the "Parties").

### WITNESSETH:

WHEREAS, SNET offers a protection program for SNET's end users to prevent unauthorized changes of their long distance provider ("Service"); and,

WHEREAS, AT&T desires to promote the availability of this Service to its end users ("Customers") of this Service which will require an interim manual effort on SNET's part; and,

WHEREAS, SNET agrees to accommodate AT&T's request for consideration described hereunder; and,

WHEREAS, SNET is in the process of preparing to file a tariff regarding the Service hereunder ("Tariff"); and,

WHEREAS, the Parties agree that until such time as the Federal Communications Commission ("FCC") approves such Tariff, SNET shall charge AT&T and AT&T agrees to pay SNET for the Service.

NOW, THEREFORE, the Parties agree as follows:

#### 1. Scope

SNET shall process AT&T Customer requests for the Service hereunder, submitted to SNET by AT&T on forms which shall indicate written Customer authorization ("Authorization Form"). AT&T and SNET shall reach agreement on those portions of the Authorization Form that indicate the Customer's selection for interstate and/or intrastate long distance provider ("Pic") including Customer's choice to prevent that selection from changing without Customer's written or verbal approval of such change of Pic ("Pic Block"). This Memorandum covers the responsibilities of the Parties until such time as the Tariff is approved for provisioning this Service. A schedule of charges for the Service is attached herein as Exhibit A.

#### 2. Term

This Memorandum shall be effective within five (5) business days following the final execution date herein and shall continue in effect until terminated by either Party upon written notice to the other Party, or until it is superseded by approval of the Tariff contemplated herein.

**3. Charges**

SNET shall invoice AT&T at the charge described in Exhibit A on a monthly basis. Such invoice shall be due and payable within thirty (30) days from the date of such invoice ("Due Date").

**4. Price Change**

SNET shall review the charge described in Exhibit A on an annual basis and SNET reserves the right to adjust the charge annually, if necessary. AT&T shall be notified with thirty (30) days prior written notice of any changes to such charge.

**5. Governing Law**

This Memorandum shall be governed by the laws of the state of Connecticut.

**6. Confidentiality**

The Parties agree that neither AT&T nor SNET shall disclose to any third party or publicize in any way the existence of this Memorandum, the Service provided or the terms and conditions herein without the other Party's written consent which shall not be unreasonably withheld. Notwithstanding the above, either Party may disclose information concerning this Memorandum if required to by any federal, state or local judicial or agency official having jurisdiction.

**7. Rules and Regulations**

Notwithstanding any term or condition in this Memorandum, the Parties agree that this Memorandum shall be subject to any applicable federal or state laws and any rules, regulations tariffs, or orders of a state or federal regulatory body. Without limiting the foregoing, AT&T shall indemnify, defend and hold harmless SNET from and against any damages, claims, losses, or expenses resulting from the submission by AT&T to SNET of any Authorization Form that does not comply with applicable law.

**8. Limitation of Liability**

The Parties further agree that except for AT&T's payment obligation as set forth in Section 3 and AT&T's indemnity obligations as set forth in Section 7 of this Memorandum, neither Party shall be liable for any direct, indirect, special, incidental or consequential damages, resulting from the performance of this Memorandum, such incidental or consequential damages shall include but not be limited to lost revenue or profits from end users due to the failure to perform this Memorandum.

IN WITNESS WHEREOF, the Parties hereto have caused this Memorandum to be duly signed by their authorized representatives.

AT&T COMMUNICATIONS, INC.

THE SOUTHERN NEW ENGLAND  
TELEPHONE COMPANY

By: \_\_\_\_\_

By: \_\_\_\_\_

Typed: \_\_\_\_\_

Typed: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## **SCHEDULE OF CHARGES**

- 1. Charge for Customer's request to PIC Block: \$4.78 per line\***

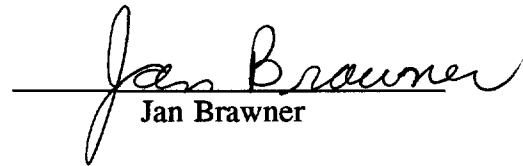
**\* Note: This charge is in addition to charges already in existence under the FCC tariff for Pic Changes.**

## CERTIFICATE OF SERVICE

I certify that I placed a copy of the attached "Reply of The Southern New England Telephone Company to AT&T's August 15 Comments" in the first class U.S. mail system on Friday, August 30, 1996, addressed to each of the following:

Mark C. Rosenblum  
AT&T Corp.  
Room 3252I3  
295 North Maple Avenue  
Basking Ridge, New Jersey 07920

David Carpenter  
Sidley & Austin  
One First National Plaza  
Chicago, IL 60603  
(Counsel for AT&T)

  
Jan Brawner